Profile of B.C.'s Forest Sector

Prepared by Ministry of Skills Development and Labour

July 2004

How big is B.C.'s Forest sector?

- In 2003
  - The value of forest sector manufacturing shipments was:
    - $9.9 billion in wood products
    - $5.7 billion in paper & allied products
  - 73 million m^3 of timber harvested
  - 36 million m^3 of lumber produced
  - 4.8 million tonnes of market pulp produced
  - Half of the softwood produced in Canada comes from British Columbia.

How many businesses are there in the Forest sector?

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- In 2003, there were 17,904 businesses in agriculture, forestry, fishing & trapping – 8,490 of those businesses had a payroll.
- There were an additional 14,054 manufacturing businesses *(about ½ of B.C. manufacturing activity is resource-based),* of which 8,318 had employees.
- 97% of agriculture & forestry, and 89% of manufacturing establishments with employees have less than 50 employees.

How much economic activity does the Forest sector generate?

British Columbia forestry, logging and wood manufacturing GDP ($1997)

Source: BC Stats, Provincial Economic Accounts

Paper manufacturing generates approx $2B more in GDP each year.

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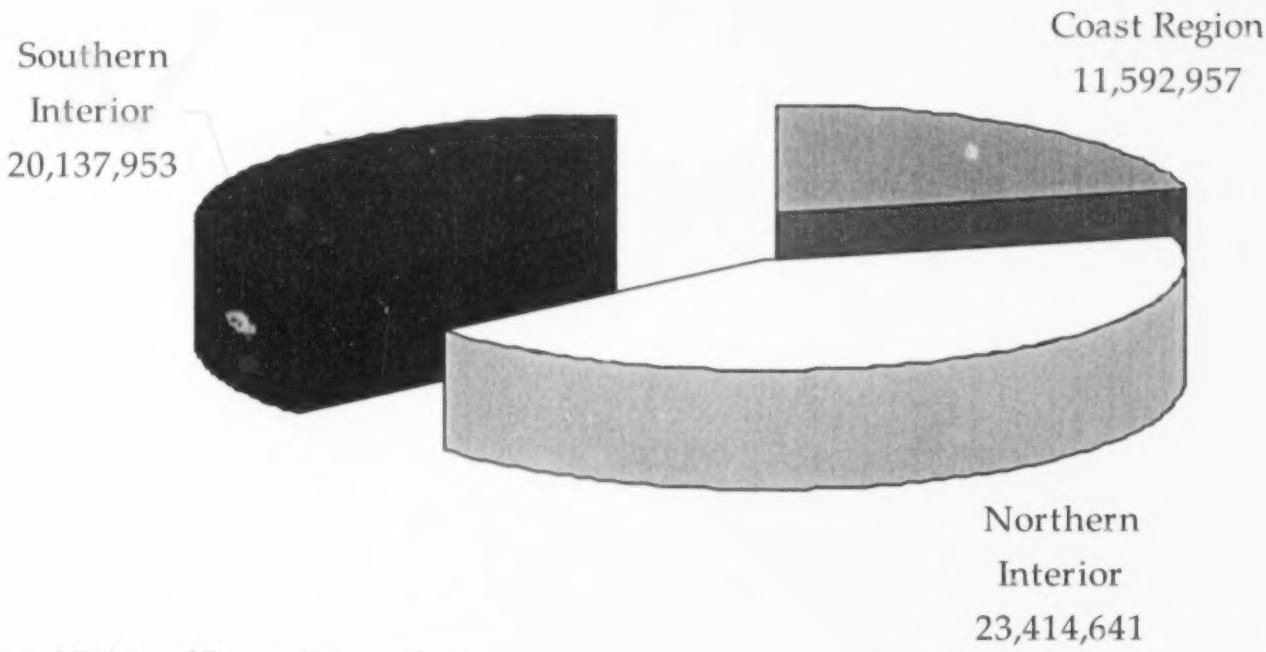
Where in the province is Logging activity happening?

Stumpage billings in B.C.:
Volume of timber billed in 2003 (m3)



Source: Ministry of Forests, Revenue Branch

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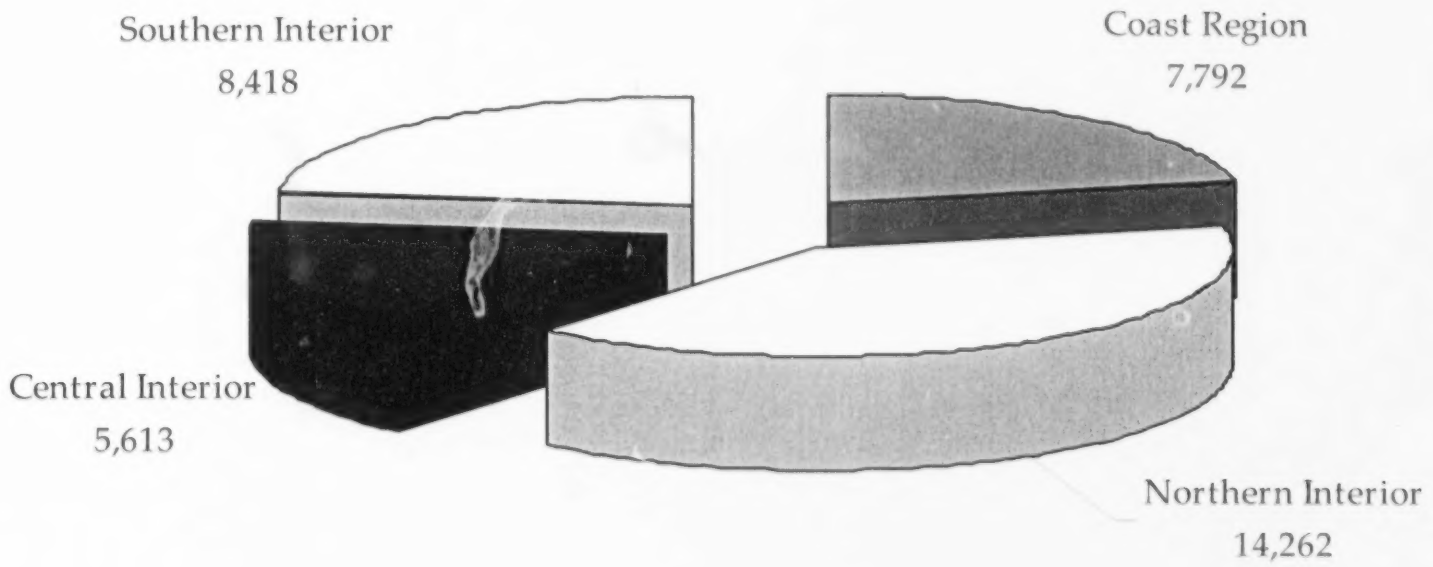
Where in the province is lumber being produced?

Volume of Sawn Lumber in B.C., 2003,
thousand cubic metres



Source: Statistics Canada

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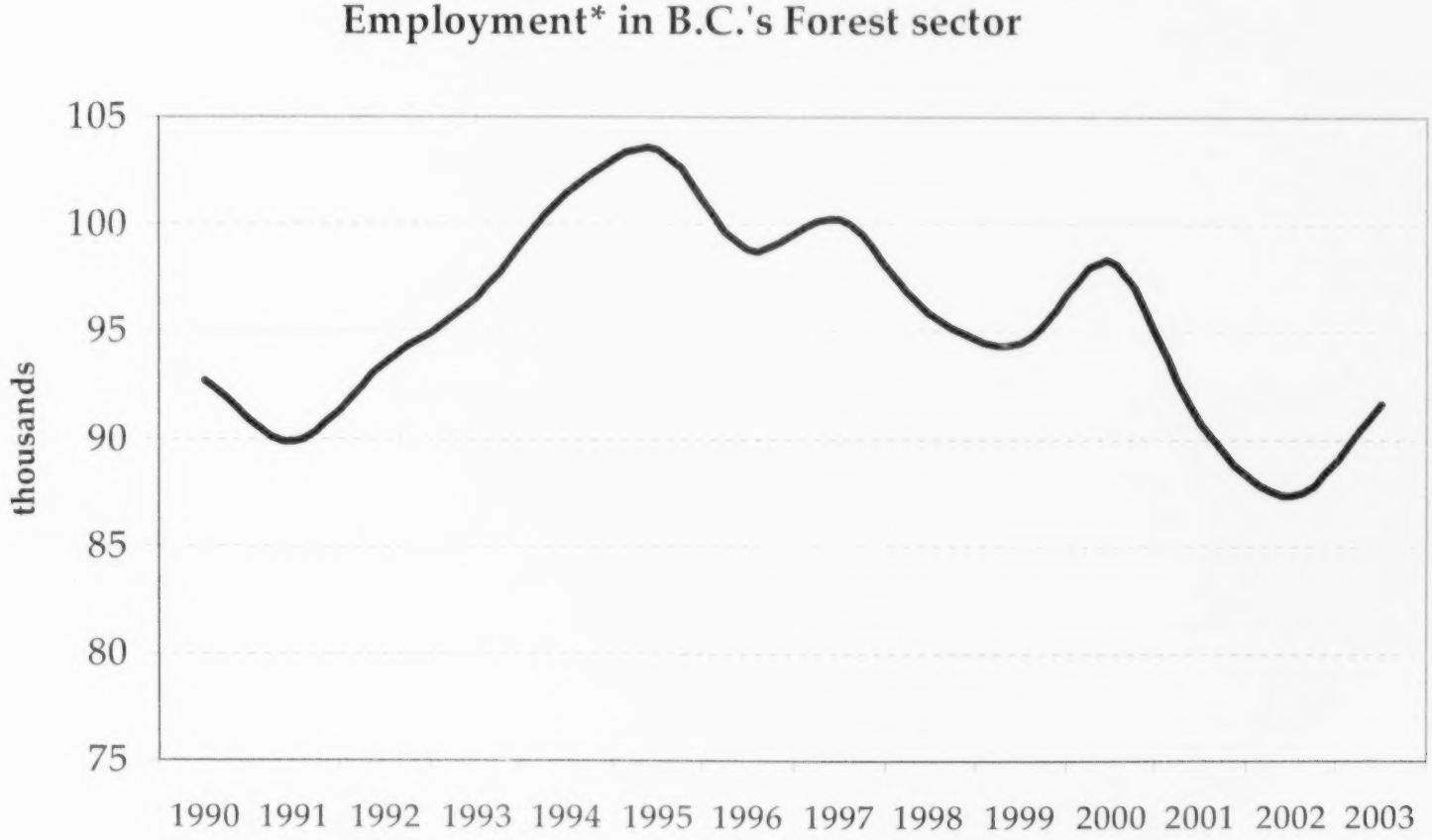
How many people are employed in B.C.'s Forest sector?



* Forestry, logging, wood & paper mfting.

Source: Labour Force Survey

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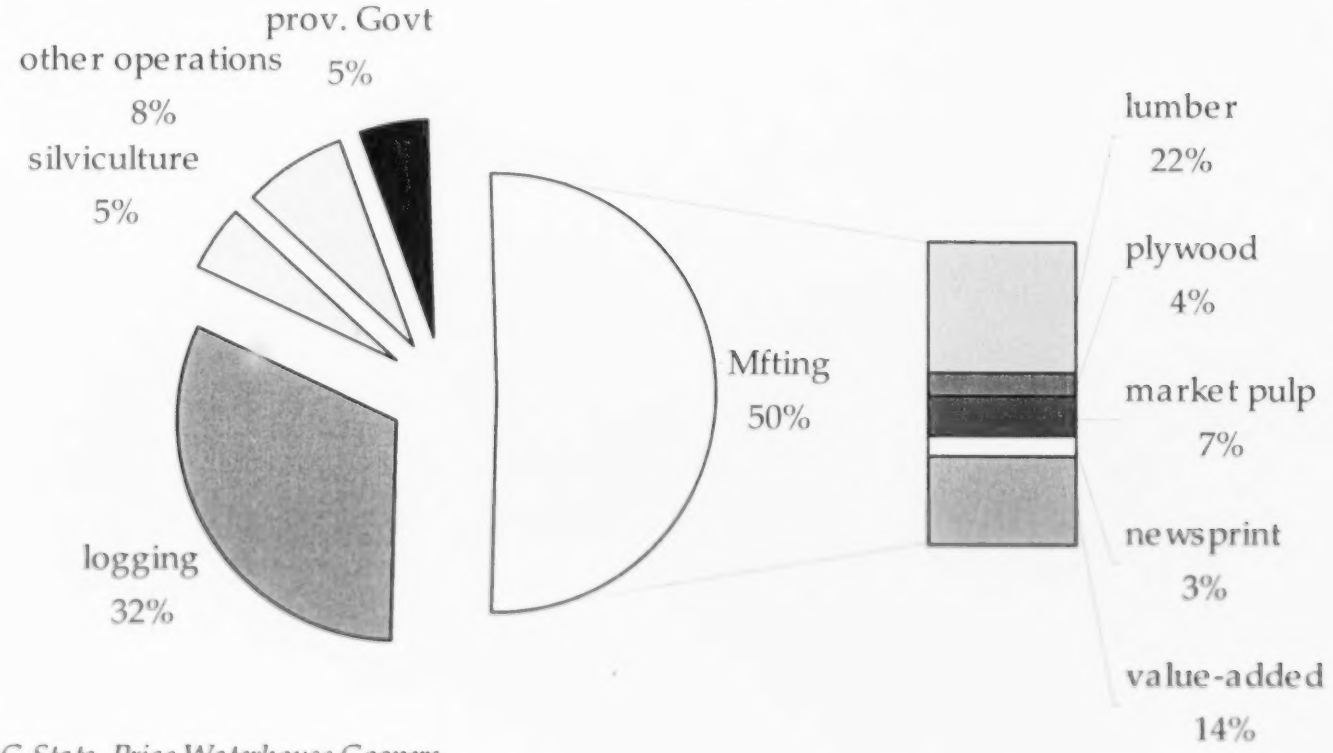
What types of activities do forest sector workers do?

Direct Forest Sector Employment by Activity

Total = 91,600



Source: BC Stats, Price Waterhouse Coopers

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Current climate in the forest sector

- In 2003, large areas of Crown Land have been affected by pine mountain beetle infestation and wildfires.
- Countervailing and anti-dumping duties, continue, although as of June 2004, the first administrative review has established the CVD at 9.24% instead of 18.79%. A second review is underway, as well as an anti-dumping review .
- Logging and forestry employment levels have regained some of the ground lost in 2001.

Emerging opportunities

- Development of niche markets for value-added wood products and specialty lumber, depending on the level of capital investment.
- Restructuring within the sector could see a significant rise in productivity over the near term.
- Critical factors: access to fibre, capital, business and marketing expertise
- Need for enhanced skills of workers in the sector – both basic and technical.
- Non-timber forest products a growing niche market.